



**JACK O'CONNELL**  
State Superintendent of Public Instruction

CALIFORNIA  
DEPARTMENT  
OF  
EDUCATION

1430 N Street

P.O. Box 944272

Sacramento, CA

94244-2720

October 28, 2003

Dear County Superintendents of Schools, Auditors, and Treasurers:

**NOTICE OF THE RECERTIFIED SPECIAL PURPOSE APPORTIONMENT:  
PUPIL TRANSPORTATION (SPECIAL PURPOSE),  
SCHOOL IMPROVEMENT PROGRAM, AND ECONOMIC IMPACT AID,  
FISCAL YEAR 2003-04**

This apportionment, in the amount of \$1,355,012,255, is made from funds provided in the 2003 Budget Act (Chapter 157, Statutes of 2003). These funds support the Pupil Transportation (Special Purpose), School Improvement (SIP), and Economic Impact Aid (EIA) programs.

Pursuant to *Education Code* section 14041(a)(5), these program allocations equal 10 percent of the annual entitlement for the ten months of September 2003 through June 2004. In October 2003, this apportionment is being recertified to include new EIA and revised SIP fiscal year 2003-04 entitlements. The October warrant for each local educational agency (LEA) will equal two-tenths of the newly certified amount, less the amount paid to the LEA in September. Thereafter, in general, one-tenth of the amount certified in October will be included in the warrants for the months from November 2003 through June 2004. This apportionment will be recertified as necessary in future months due to revised entitlements.

The Summary of Apportionment and the Monthly Payment Schedule show subtotals for the Transportation, SIP, and EIA funds. The State Controller will issue one warrant to each County (that includes all associated LEAs) for the total payment of all programs in this apportionment.

**Notice, Summary, and Exhibits Enclosed**

- A. Notice of the Recertified Special Purpose Apportionment: Pupil Transportation (Special Purpose), School Improvement Program, and Economic Impact Aid, Fiscal Year 2003-04
- B. Schedules of Apportionments-Computer Printout Tabulations
  - School Improvement Program - Exhibit II
  - Economic Impact Aid – Exhibit III
- C. Summary of Apportionments by County
- D. Monthly Payment Schedule

**Program Notes**

Pupil Transportation – There has been no change to the annual entitlement previously certified.

School Improvement Program – The 2003-04 Budget Act provides \$320,360,000 for Kindergarten and grades 1-6 (K-6) SIP entitlements and \$66,830,000 for grades 7-12 SIP entitlements; no funding was included for growth or COLA in either program. There were no SIP funding deferrals in the 2003-04 budget, however, the total appropriation was reduced from the prior year level. Fiscal year 2003-04 funding for K-6 equals each district's fiscal year 2002-03 allocation (total of funds allocated during the fiscal year plus funds deferred to 2003-04) reduced by 9.59 percent. Funding for grades 7-12 utilizes fiscal year 2002-03 First Period (P1) Report of Average Daily Attendance (ADA) for each participating school multiplied by the following rates: grades 7-8, approximately \$32.27 or \$114.66 per ADA; grades 9-12, \$82.72 per ADA. These grade 7-12 rates reflect the 2002-03 funding rates, including funds deferred to 2003-04, reduced by approximately 6.9118 percent.

The September payment certified for SIP was based on actual K-6 entitlements and estimated grade 7-12 entitlements. This October recertification reflects actual entitlements for both K-6 and grades 7-12, that will also be included in Part II of the 2003-04 Consolidated Application.

In Exhibit II, the amount in the column entitled "Amount for Each Participating District" should be credited to the account of the school district or LEA indicated in the first column. The list of member school districts in cooperatives (third column) and the respective entitlement amounts (sixth column) are provided as information for use by the county superintendents.

There is no restriction on the amount of SIP funds that may be carried over from year to year. For standardized account code structure (SACS) coding, use Resource Codes 7260, School Improvement Program-Grades K to 6, and 7265 (optional) School Improvement Program-Grades 7 to 12. All grades K-12, use Revenue Object Code 8311, Other State Apportionments-Current Year. For non-SACS coding, please use Income Account Code 8244, School Improvement Program.

Economic Impact Aid – This October EIA apportionment allocates to districts their newly calculated fiscal year 2003-04 EIA entitlement amount. The 2003-04 Budget Act provides \$498,682,000 million for EIA; no funding was included for growth or COLA.

The following will apply for fiscal year 2003-04 entitlements: districts will receive no less than the minimum funding rate (\$220.78) multiplied by the sum of their October 2002 district California Work and Responsibility to Kids (CalWORKs) count plus their Spring 2002 district English Learner (EL) count. Each district will receive at least \$4,901 (1 to 10 CalWORKs plus EL), or \$7,356 (11 or more CalWORKs plus EL). There is a "hold harmless" of 85 percent, which means that no district will receive less than 85 percent of their fiscal year 2002-03 entitlement.

In Exhibit III, the amount in the column entitled "Amount for Each Operating District or Local Educational Agency" should be credited to the account of the respective school district or LEA indicated in the first column.

There is no restriction on the amount of EIA funds that may be carried over from year to year. For SACS coding, use Resource Code 7090, Economic Impact Aid, and Revenue Object Code 8311, Other State Apportionments-Current Year. For non-SACS coding, use Income Account Code 8346, Economic Impact Aid.

Supplemental Grants Roll-In – Allocations for Supplemental Grants which may contribute to the Transportation, SIP, and EIA program selections made pursuant to *Education Code* section 54761.2 will be paid in a separate apportionment.

Transportation, SIP and EIA for Charter Schools – Beginning in fiscal year 2002-03, all charter schools, except for district wide charters, are being funded through the charter school block grant funding model pursuant to *Education Code* section 47633 et seq. This funding model includes categorical block grant funds in lieu of various categorical programs, including Transportation, SIP and EIA. These block grant funds are allocated as part of the revenue limit Principal Apportionment process. Charter enrollment and ADA are excluded from district totals when computing the 2003-04 entitlements for SIP and EIA. For purposes of Pupil Transportation, however, *Education Code* section 47612 deems a charter school to be a school district. As such, to establish base transportation funding for a charter school, the district must determine its cost to transport the charter school students previously served by the district. This will establish the separate transportation funding base for the charter school and result in a corresponding reduction to the district's allowance.

#### **Additional Information/Questions**

County offices of education should immediately notify LEAs in their county of the information included in this apportionment. In addition, this letter, along with the summary and monthly payment schedule, will be posted on the California Department of Education's Web at <<http://www.cde.ca.gov/fiscal/categorical>>. General questions concerning this apportionment may be directed to Ross Valentine, Fiscal Services Assistant, Categorical Programs Unit, at (916) 327-4405 or via e-mail at [rvalenti@cde.ca.gov](mailto:rvalenti@cde.ca.gov). For specific program areas, please contact the School Fiscal Services Division staff as follows:

<u>Program</u>	<u>Contact</u>	<u>Area Code (916)</u>	<u>E-Mail Address</u>
Pupil Transportation	Leslie McCage	324-4537	<a href="mailto:lmccage@cde.ca.gov">lmccage@cde.ca.gov</a>
School Improvement	Julie Brucklacher	327-4406	<a href="mailto:jbruckla@cde.ca.gov">jbruckla@cde.ca.gov</a>
Economic Impact Aid	Ross Valentine	327-4405	<a href="mailto:rvalenti@cde.ca.gov">rvalenti@cde.ca.gov</a>

Sincerely,

JACK O'CONNELL

JO:rv  
Enclosures